

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2016- 384-S**

Application of Moore Sewer, Inc. for)	REBUTTAL TESTIMONY OF JANET
Adjustment of Rates and Charges and)	TEICHMAN
Modification to Certain Terms and)	
Conditions for the Provision of)	
Collection-Only Sewer Service)	

1 **Q. Would you please tell the Commission your name and business address.**

2 A. My name is Janet Teichman and my business address is 110 Milliken Road, Spartanburg,
3 SC 29303.

4 **Q. Are you the same Janet Teichman who previously submitted direct testimony in this**
5 **proceeding?**

6 A. Yes, I am.

7 **Q. What is the purpose of this rebuttal testimony?**

8 A. The purpose of this rebuttal testimony is to address certain aspects of the direct testimony
9 of the ORS witnesses Daniel F. Sullivan and Anthony Sandonato, and to explain why the
10 Company needs the increase in its monthly sewer service collection-only rate.

11 **Q. Did ORS witness Sullivan propose any adjustments to which you would like to**
12 **respond?**

13 A. Yes. I will respond to “Adjustment 6- Rent Expense” (Sullivan Testimony p. 8, Audit
14 Exhibit DFS-2 Page 1 of 3), “Adjustment 17- Interest Expense” (Sullivan Testimony p.
15 12, Audit Exhibit DFS-2 Page 2 of 3).

16 **Q: Do you agree with Mr. Sullivan’s adjustment of rent expense from \$15,330 to**
17 **\$3,720?**

1 No. I am not sure that Mr. Sullivan's comparison, using solely price per square foot, is an
2 accurate measure. I don't believe that we could find commercial space nearby with the
3 amount of square footage that we need (254 square feet plus common areas, storage, and
4 an outside storage area). For example, as shown by the attached, there is an office space
5 of 1090 sq. ft. for rent 2 or 3 houses down from our home (and my office). The rent for
6 that space is \$995 per month plus common area fees of \$359.18 per month, for a total of
7 \$1,354.18 per month or \$16,250.16 annually. We would not be able to rent a part of that
8 space. As such, the amount of \$15,330 we included for rent is reasonable when compared
9 to what we would be required to pay if we obtained commercial space in the area.

10 **Q. Do you agree with Mr. Sullivan's adjustment of interest expense from \$18,115 to**
11 **\$0?**

12 A. Mr. Sullivan is correct that Moore Sewer has not been paying interest on the two notes
13 payable in question totaling \$603,819. It is important for the Commission to understand,
14 however, that Moore Sewer simply has not had the resources to pay the interest, much
15 less the principal, on those loans. As my Direct Testimony showed, Moore Sewer simply
16 has not had operating revenues that could support doing so. Additionally, every penny of
17 the amounts represented by those notes payable was necessary for the operation of the
18 Moore Sewer system and to meet the requirements placed on Moore Sewer: maintain and
19 repair the system, and close the lagoon associated with the previous treatment services
20 provided by the Company. Without the loans represented by these notes, Moore Sewer
21 would not have been able to continue to operate. With those factors in mind, Moore
22 Sewer respectfully requests that the Commission allow the original interest expense
23 proposed by Moore Sewer of \$18,115.

1 **Q. Do you agree with Mr. Sandonato's recommendations with respect to the way**
2 **Moore Sewer assesses non-recurring charges? (Page 7)**

3 A. In part. Moore Sewer will add certain language suggested by Mr. Sandonato in its rate
4 sheet/tariff: 1) New customers will be allowed to pay a deposit to Moore Sewer in
5 installments, but required to make an initial deposit of \$100; and 2) Moore Sewer will
6 waive the deposit requirement if the customer is the owner of the property. Mr.
7 Sandonato's third recommendation suggests that we add language clarifying that Moore
8 Sewer will waive the New Customer Connection Fee if the customer is the owner of the
9 property. Upon further consideration, Moore Sewer has decided that all new customers
10 will pay the New Customer Connection Fee.

11 **Q. Will Moore Sewer adopt the recommendations in Mr. Sandonato's testimony**
12 **related to ADIT and the impacts of the Tax Cuts and Jobs Act?**

13 A. Yes.

14 **Q. Do you agree with the monthly rate of \$27.16 (Sandonato Testimony pp. 11-12,**
15 **Exhibit AMS-8 Page 1 of 2) and the operating margin of 14.99% (Audit Exhibit**
16 **DFS-7) proposed by ORS?**

17 A. While I appreciate the fact that the ORS supports some degree of rate relief for Moore
18 Sewer, My husband and I view the business from two different sides. I have seen the
19 customers' difficulties, and therefore have tried to manage maintenance, repairs, and
20 realistic compensation at the \$20.88 rate approved August 5, 2003. My husband has a
21 vast amount of construction knowledge, and he can see and has seen, testified, and
22 demonstrated, the sewer system we maintain is aging, and is often in need of significant
23 repair, maintenance, and the installation and addition of equipment, elder valves and

1 man-hole replacements. My knowledge and experience has grown through this rate case,
2 and as a result of my exposure to current situations with the Company's aging system.
3 Now, we believe that a monthly rate of \$37.98 will allow us to properly maintain and
4 repair the system. Understand that my husband and I, as the sole owners of Moore Sewer,
5 are not looking to "take money out" of the Company. In fact, the only benefit we receive
6 from our association with Moore Sewer is the compensation described in this Docket.
7 Any additional rate relief we receive will be put back into the system—to maintain,
8 repair, and install additional equipment as needed for the benefit of customers.

9 **Q. Does this conclude your testimony?**

10 A. Yes it does.

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CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day the **Rebuttal Testimony of Janet Teichman** on behalf of Moore Sewer, Inc. via electronic mail service as follows:

Jenny Pittman
jpittman@regstaff.sc.gov

s/John J. Pringle, Jr.

May 7, 2018
Columbia, South Carolina